

ITEM 4

STAFF REPORT: NEW AUDIT

Peace Officer Bill of Rights (CSM-4499) ***Animal (Adoption) Control (98-TC-11), and*** **Other Mandates**

Executive Summary

On March 12, 2003, the Joint Legislative Audit Committee authorized an audit of the process used by the Commission on State Mandates to develop statewide cost estimates and to establish parameters and guidelines for claims reimbursement related to the *Peace Officer Procedural Bill of Rights* (POBOR) mandate and a sample of other state mandates.¹ During the hearing, Assembly Member Cohn requested that the *Animal Control* reimbursement claims be included in this audit. The Legislative Analyst's Office (LAO), in its Analysis of the 2002-03 Budget Bill² and the 2003-04 Budget Bill,³ recommended conducting an audit of both programs. The audit will also include a review of the State Controller's Office process for providing claiming instructions and for processing and monitoring claims.

According to State Auditor Elaine Howle, the audit will provide independently developed and verified information related to the costs associated with the POBOR mandate and a sample of other state mandates and would include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations relevant to the issues.
2. Examine the process used by the commission to establish its parameters and guidelines for state mandates.
3. Review the policies and procedures used by the Controller for providing claiming instructions related to state mandates and for processing and monitoring claims.
4. Examine the process used by the commission to develop its statewide cost estimate with a focus on accuracy.

¹ See Exhibit A.

² See Exhibit B.

³ See Exhibit C.

5. Perform the following for the POBOR mandate and a sample of other state mandates that pose the greatest state reimbursable costs:
 - a. Review the requirements of the mandates.
 - b. Determine whether the commission's parameters and guidelines clearly and precisely reflect the mandates statement of decision and, if not, why parameters and guidelines meeting this standard were not enacted.
 - c. Compare original cost estimates with actual costs claimed and identify factors contributing to significant differences.
 - d. Analyze claims data to identify the mandate requirements that pose the greatest state reimbursable costs.
 - e. Determine whether a sample of mandate claims submitted by the local agencies are consistent with the mandates' parameters and guidelines.
 - f. Identify the factors contributing to the wide variation in costs claimed, including different approaches and financial incentives relating to such claims.

Status Report

On January 27, 2003, Commission staff provided a copy of the POBOR Administrative Record to the Bureau of State Audits. On March 12, 2003, the Executive Director contacted the Bureau of State Audits to find out which other mandates may be included in this audit and the estimated completion date of the audit.

Thus far, no meetings with BSA auditors have been scheduled to initiate the audit process. Pending workload may be impacted depending on the amount of staff time that will be required to respond to auditor inquiries and audit findings.
